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**SENATE BILL 134**

**46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003**

**INTRODUCED BY**

Pete Campos

**AN ACT**

**RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; REAUTHORIZING BALANCES; CHANGING THE PURPOSE OF A SEVERANCE TAX BOND APPROPRIATION; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. SEVERANCE TAX BONDS-- AUTHORIZATIONS-- APPROPRIATION OF PROCEEDS. --**

**A. The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not to exceed the total of the amounts authorized for purposes specified in this act. The state board**

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1 of finance shall schedule the issuance and sale of the bonds in  
2 the most expeditious and economical manner possible upon a  
3 finding by the board that the project has been developed  
4 sufficiently to justify the issuance and that the project can  
5 proceed to contract within a reasonable time. The state board  
6 of finance shall further take the appropriate steps necessary  
7 to comply with the Internal Revenue Code of 1986, as amended.  
8 Proceeds from the sale of the bonds are appropriated for the  
9 purposes specified in this act.

10 B. The agencies named in this act shall certify to  
11 the state board of finance when the money from the proceeds of  
12 the severance tax bonds authorized in this section is needed  
13 for the purposes specified in the applicable section of this  
14 act. If an agency has not certified the need for the issuance  
15 of the bonds for a particular project, including projects that  
16 have been reauthorized, by the end of fiscal year 2005, the  
17 authorization for that project is void.

18 C. Before an agency may certify for the issuance of  
19 severance tax bonds, the project must be developed sufficiently  
20 so that the agency reasonably expects to:

21 (1) incur within six months after the  
22 applicable bonds have been issued a substantial binding  
23 obligation to a third party to expend at least five percent of  
24 the bond proceeds for the project; and

25 (2) spend at least eighty-five percent of the

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1 bond proceeds within three years after the applicable bonds  
2 have been issued.

3 D. Except as otherwise provided in this section or  
4 another section of this act, the unexpended balance from the  
5 proceeds of severance tax bonds issued for a project, including  
6 projects that have been reauthorized, shall revert to the  
7 severance tax bonding fund as follows:

8 (1) for projects for which severance tax bonds  
9 were issued to match federal grants, six months after  
10 completion of the project;

11 (2) for projects for which severance tax bonds  
12 were issued to purchase vehicles, heavy equipment, educational  
13 technology or other equipment or furniture that is not related  
14 to a more inclusive construction or renovation project, at the  
15 end of the fiscal year following the fiscal year in which the  
16 severance tax bonds were issued for the purchase;

17 (3) for projects for which severance tax bonds  
18 were issued to purchase emergency vehicles or other vehicles  
19 that require special equipment, at the end of the fiscal year  
20 two years following the fiscal year in which the severance tax  
21 bonds were issued for the purchase; and

22 (4) for all other projects for which severance  
23 tax bonds were issued, within six months of completion of the  
24 project, but no later than the end of fiscal year 2008.

25 E. Except for appropriations to the capital program

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1 fund, money from severance tax bond proceeds provided pursuant  
2 to this act shall not be used to pay indirect project costs.

3 F. For the purpose of this section, "unexpended  
4 balance" means the remainder of an appropriation after  
5 reserving for unpaid costs and expenses covered by binding  
6 written obligations to third parties.

7 Section 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--  
8 LIMITATIONS--REVERSIONS. --

9 A. Except as otherwise provided in this section or  
10 another section of this act, the unexpended balance of an  
11 appropriation made in this act from the general fund or other  
12 state fund, including changes to prior appropriations, shall  
13 revert to the originating fund as follows:

14 (1) for projects for which appropriations were  
15 made to match federal grants, six months after completion of  
16 the project;

17 (2) for projects for which appropriations were  
18 made to purchase vehicles, heavy equipment, educational  
19 technology or equipment or furniture that is not related to a  
20 more inclusive construction or renovation project, at the end  
21 of the fiscal year following the fiscal year in which the  
22 appropriation was made for the purchase;

23 (3) for projects for which appropriations were  
24 made to purchase emergency vehicles or other vehicles that  
25 require special equipment, at the end of the fiscal year two

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1 years following the fiscal year in which the severance tax  
2 bonds were issued for the purchase; and

3 (4) for all other projects for which  
4 appropriations were made, within six months of completion of  
5 the project, but no later than the end of fiscal year 2008.

6 B. Except for appropriations to the capital program  
7 fund, money from appropriations made in this act shall not be  
8 used to pay indirect project costs.

9 C. For the purpose of this section, "unexpended  
10 balance" means the remainder of an appropriation after  
11 reserving for unpaid costs and expenses covered by binding  
12 written obligations to third parties.

13 Section 3. ARMORY PROJECTS--STATE ARMORY BOARD--SEVERANCE  
14 TAX BONDS.--Pursuant to the provisions of Section 1 of this  
15 act, upon certification by the state armory board that the need  
16 exists for the issuance of the bonds, two million dollars  
17 (\$2,000,000) is appropriated to the state armory board for  
18 statewide armory renovations and additions.

19 Section 4. STATE FAIR PROJECT--STATE FAIR COMMISSION--  
20 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1  
21 of this act, upon certification by the state fair commission  
22 that the need exists for the issuance of the bonds, one million  
23 five hundred thousand dollars (\$1,500,000) is appropriated to  
24 the state fair commission for facility and infrastructure  
25 improvements.

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1           Section 5.   WATER PROJECTS--OFFICE OF THE STATE ENGINEER--  
2   GENERAL FUND.--Four million dollars (\$4,000,000) is  
3   appropriated from the general fund to the office of the state  
4   engineer for expenditure in fiscal years 2003 through 2008 for  
5   water surveys throughout the state. Any unexpended balance  
6   remaining at the end of fiscal year 2008 shall revert to the  
7   general fund.

8           Section 6.   TORTUGAS PARK IMPROVEMENTS AND EQUIPMENT--  
9   CHANGE PURPOSE OF A SEVERANCE TAX BOND APPROPRIATION.--The  
10   proceeds from the sale of severance tax bonds appropriated to  
11   the local government division of the department of finance and  
12   administration pursuant to Subsection 390 of Section 22 of  
13   Chapter 110 of Laws 2002 to purchase and install lighting and  
14   playground equipment at the ball park in Tortugas in Dona Ana  
15   county shall not be expended for the original purpose but are  
16   reauthorized and appropriated to improve and equip the park in  
17   Tortugas in Dona Ana county.

18           Section 7.   PROJECT SCOPE--EXPENDITURES.--If an  
19   appropriation for a project authorized in this act is not  
20   sufficient to complete all the purposes specified, the  
21   appropriation may be expended for any portion of the purposes  
22   specified in the appropriation. Expenditures shall not be made  
23   for purposes other than those specified in the appropriation.

24           Section 8.   ART IN PUBLIC PLACES.--Pursuant to Section  
25   13-4A-4 NMSA 1978 and where applicable, the appropriations

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authorized in this act include one percent for the art in  
public places fund.

Section 9. EMERGENCY.--It is necessary for the public  
peace, health and safety that this act take effect immediately.